This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

**Usage guidelines**

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

+ *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
+ *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
+ *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
+ *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

**About Google Book Search**

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at `http://books.google.com/`

1837
ARTES
VERITAS
SCIENTIA
LIBRARY OF THE
UNIVERSITY OF MICHIGAN
E PLURIBUS UNUM
TUEBOR
SI QUAERIS PENINSULAM AMOENAM
CIRCUMSPICE

HD
221
.W747

# WHAT IS MONEY?

LIBRARY OF THE UNIVERSITY OF MICHIGAN

LONDON:
EFFINGHAM WILSON, ROYAL EXCHANGE.
1872.

8804

# WHAT IS MONEY?

LIBRARY OF THE UNIVERSITY OF MICHIGAN

LONDON:
EFFINGHAM WILSON, ROYAL EXCHANGE.
1872.

10-10-27 MVP

# WHAT IS MONEY?

It is related of Socrates that, having asked one of his disciples "What is Virtue?" the latter began his reply by saying, "Well, there is the virtue of a father, there is the virtue of a son, there is the virtue of a patriot"—whereupon Socrates interrupting him exclaimed, "Oh! this is excellent; we were in search

8804

10-10-27 MVP

Rulers.

of one virtue and you are bringing us plenty of them!"

Quite as many, and so many answers might be given to the question, What is Money? that it might seem at first sight almost easier to begin at once by saying what it is *not* rather than by what it is—as instances take the familiar illustrations, "the sinews of war," "time is money," "money is the root of all evil," &c. We will adopt a middle course, and will begin by defining its limits before examining what is contained in them.

Dickens has represented a city mag-

nate puzzled by a child asking him the question, and replying, as the simplest explanation he could give—gold, silver, and copper—sovereigns, shillings, and pence; and it would be lost time to endeavour to dispute that they are money; but they are not purely and simply money, money only, and nothing but money. They are like bodies that have souls, whereof only the souls are money, and of the sovereign, the shilling, and the penny, the one which is most money and less anything else is the penny. There is so much gold in the sovereign that it might be worth while to melt it down for other purposes, and

then, of course, it would cease to be money; in the shilling there is so much silver that even if it were demonetised the quantity and quality of the metal would retain much of its value even as a mere commodity; but in the penny the metal itself is of so little value compared to that placed on it by the stamp it bears that almost all its value is simply owing to its being *money*. Thus, then, money is something which is entirely independent of either the quantity or the quality of the material in which it is embodied, and we thus begin to see what it is not.

The nearest approach to money pure and simple—all soul, no body—mere money and nothing else, and which ceases to be anything if it ceases to be itself, is paper-money. A banknote is indeed an incorporeal essence, and here now we begin to see plainly what money is. It is something that will serve to get something else—the instrument of barter, the circulating medium.

It has been said that money is power—and so is gunpowder; and they further resemble each other in this, that while they are kept, while they are stored, their power lies dormant and

inert; it is only by parting with the substance itself that we extract its power.

"What," it will be said, "do you mean to say that money if kept is of no use, when all its other uses combined are not of such universal use as when it is kept? Disabuse yourself of such a grave error, my friend; let me tell you, sir, the man who has a pound, or a shilling, or a penny even, aye, even a penny, sir, in his pocket, if he will only keep it there, has the power to purchase anything that that penny will buy, whether it was grown in Europe, or at the Anti-

podes, or in any other part of the world; or he may get his shoes blacked for the penny; or he may have all the acquired and accumulated results of the toil, and industry, and civilisation of the present and all previous generations—extending Heaven alone knows how far back—as they appear in the morning paper of the day for that penny; he will—" "Hold, sir, hold, I beg of you, my good sir—all that you have said, like all that you ever do say, is most undisputably true, but at least you will admit that the owner of a penny cannot get for a penny all the things that can be bought for a penny,

but only one or other of them; nor can he honestly get that one without parting with his penny for it in return. While he keeps his penny he is doubtless the potential owner,—not, permit me to say, of all that can be bought for that penny, but at the very most of only those things known to him that could be purchased with a penny by him; for there are doubtless many things in this world that can be bought for a penny, and which would be bought did people but know where they are to be found; and again, if such things are at an inaccessible distance what matters it how low their price?"

Money then is the something that serves to get something else for somebody from some one else; it is the "medium of circulation"—certainly a far more concise designation, and one in great favour with those eminent authors whose ponderous and laborious works every one is glad to praise, that he may avoid reading; but as we wish to analyse what money really is we will adopt the somewhat more cumbrous designation with which we have commenced this paragraph, and if exception be taken to its great length, we trust we may be permitted to quote the high example of the 'Economist,' than the headings of

the articles of which not even a journey through the Sahara is longer or drier, and we repeat, money is the something that serves to procure for its owner, from some one else to whom he parts with it, something else, of which this latter is the owner.

In general, then, money comprises whatever is in existence, subject to the following conditions :—

A. That its existence shall be or become known to either or to both the owner of the money and the owner of the property. (There

exists such a very great difference of opinion in the world as to what does and what does not constitute property, that no wise man will be over eager to offer any definition of it, and no good one ought to press for it. Every history is full of wars, and most of them appear to have in reality originated either in the diverse interpretation of the word or its disputed application; and it will perhaps be best to endeavour to define only private property as "what the rightful owner is allowed to keep every one else out of.") It

follows from this that every new invention, every fresh discovery, by increasing the quantity of things in existence known to mankind, increases the purchasing power of money to that extent.

B. That it is not already the property of the owner of the money, because what we have already, or what we can get for ourselves, we do not require to get from other people;

C. That it shall be something which people are willing to barter—as, for instance, the occupation of a

house in town or at the sea-side, or a railway company's services conveying one thither.

Perhaps this list might be extended to an indefinite length, so that to put the whole case in the fewest and the simplest words, money, that is the "circulating medium," the "medium of circulation," the "floating capital," by whose help so many respected authors flounder over miles of paper and through rivers of ink to slumber in libraries full of shelves—money is

*What we can get other people to do for us.*

What we can and do choose to do for ourselves we don't require others to do for us, and for that, therefore, money is of no use to us. What other people are not able to do any more than we ourselves are, no amount of money will enable us to obtain. So far all is plain sailing.

But there is one very important thing which we continually see people overlooking. They are shrewd enough to see that the purchasing power of money is enormous, that it, in fact, increases every day, but they entirely overlook the most important circum-

LIBRARY OF THE UNIVERSITY OF

stance that, like any other power, if not judiciously used, it will not only not be of benefit to the owner (who ought rather, in that case, to be called merely the possessor) but will actually be of great harm to him. That is a matter they seem never to have taken into consideration, or if they did, it must have been so long ago that they have completely forgotten all about it. Why else is it that people take so much pains to accumulate riches for their children, and so very little to teach them how to use them wisely? No doubt such an education is rather expensive, but it is better to know how to use a little well, than

through sheer ignorance to make a poor use of much. Others, again, run into the opposite extreme and seem to think so they do but supply their children with the wherewithal they will find out for themselves how to avoid misusing it. And be it borne in mind that a man's reason stands *in loco parentis* to his fortune.

There is yet another circumstance that must not be omitted in connection with the subject of money, as it tends immensely to enhance its purchasing power, and that is, what other people are able to give us in exchange for it. What

is the use of having plenty of power over other people, of having entire command of their services if their services are nothing worth? Properly to appreciate the whole scope of this question, let any one coolly reflect, for how many of his enjoyments and his pleasures is he solely indebted to himself? To select only one instance as an illustration, say Music, we will venture to say that of the vast majority of mankind, if each individual had been left entirely to his own resources those would already deserve to rank high who could as much as produce the melody of a penny trumpet. But owing to many persons having been

nusic, and many of these
ıbly of those who were mo
aving exclusively dedicated
to it as a pursuit, and
in some countries honours
gement have been bestowed
who showed a genius for mu
ıents having been liberally
to come forward and to disp
blicly exercise their talents,
stead of remaining exclusive
l to the persons thus happ
d by Nature the pleasure th
nspire by the sound of tho
or the touch of their finge
be shared by all who chose

UNIVERSITY OF MICHIGAN
3 9015 06449 2658

taught music, and many of these again, presumably of those who were most apt for it, having exclusively dedicated themselves to it as a pursuit, and also because in some countries honours and encouragement have been bestowed upon people who showed a genius for music, inducements having been liberally made to such to come forward and to display and publicly exercise their talents, so that instead of remaining exclusively confined to the persons thus happily endowed by Nature the pleasure they could inspire by the sound of their voices or the touch of their fingers might be shared by all who chose or

were able to witness them,—owing to the care thus bestowed on its cultivation sounds of music have already been heard in this world, so sweet, that even in the next life, perhaps, no sweeter exist, if even so beautiful.

Money is what enables us to obtain from society what we require from society, and what society can supply us with; what other people have not themselves, or having, cannot bestow upon us, money cannot obtain for us; neither will money buy what we can obtain only from ourselves. It is the universal exchange to which mankind bring all

that they are willing or able to part with; and in connection with this it is singular to remark how those who either have not anything of their own to part with to society, or having, prefer to keep it to themselves, disdaining what society can offer in exchange, are apt to be brutally independent, while the really rich are always so polite. It cannot be too often repeated, money means only *other people's help;* the less those others can do the less is money worth, the more they can do the greater its value; so that it is not sufficient to have much money oneself if the other people around us are stupid, dull, and ignorant.

In conclusion let it be added that to *philosophize* requires no money; indeed, one is never so philosophically disposed as when one has no money; it is doubtful at what age this truth can be best appreciated, perhaps between twenty and twenty-five; but the reason of the phenomenon is even more curious than the phenomenon itself, it is because we never have any *time* to be philosophical except when we have no money.

PRINTED BY EFFINGHAM WILSON, ROYAL EXCHANGE.

# MR. EFFINGHAM WILSON'S IMPORTANT COMMERCIAL WORKS.

1. FENN'S COMPENDIUM of the ENGLISH and FOREIGN FUNDS, BANKS, RAILWAYS, MINES, &c. Tenth Edition. 1 vol., 8vo, 25s.

2. TATE'S MODERN CAMBIST. A Manuel of Foreign Exchanges. Fifteenth Edition. One vol., 8vo, 10s.

3. GUMMERSALL'S TABLES of INTEREST and DISCOUNT, computed at 2½, 3, 3½, 4, 4½, and 5 per cent. Thirteenth Edition. 1 vol., 8vo, 10s. 6d.

4. GOSCHEN'S (The Right Hon. GEORGE J., M.P.) THEORY of the FOREIGN EXCHANGES. Seventh Edition. One vol., 8vo, 5s.

5. HANKEY'S (THOMSON, M.P.) PRINCIPLES of BANKING. One vol., 8vo, 5s.

6. BOSANQUET'S (BERNARD TINDAL) UNIVERSAL SIMPLE INTEREST TABLES, showing the Interest of any sum for any number of days, at 100 different rates, from ¼ to 12¼ per cent. One vol., 8vo, 21s.

7. BOSANQUET'S (B. T.) SIMPLE INTEREST TABLES. One vol., 8vo, 5s.

8. TATE'S COUNTING HOUSE GUIDE to the HIGHER BRANCHES of COMMERCIAL CALCULATIONS. Eighth edition. One vol., fcap. 8vo, 7s. 6d.

9. ROBINSON'S STOCK and SHARE TABLES. Fifth Edition. One vol., fcap. 8vo, 5s.

10. RUTTER'S SILK and TEA TABLES. 1 vol., 8vo., 10s.

11. RUTTER'S METERIC SYSTEM of WEIGHTS and MEASURES TABLES. One vol., 8vo, 4s.

12. RUTTER'S EXCHANGE TABLES BETWEEN ENGLAND INDIA, and CHINA. Tenth edition. One vol., 8vo, 25s.

13. RICKARD'S (GEORGE) PRACTICAL MINING, fully and familiarly described. One vol., fcap. 8vo, 2s. 6d.

14. JACKSON'S BOOKKEEPING. A New Check Journal. Fourteenth edition. One vol., 8vo, 5s.

15. PARNELL'S LAND and HOUSES. A Guide to the Safest Investments. Third edition, Now Ready, price 1s., post free, 1s. 1d.

16. SCHULTZ (WM.) STERLING EXCHANGE TABLES, in ENGLISH and AMERICAN CURRENCY. One vol., 8vo, 21s.

17. BAILY'S (LAURENCE R.) GENERAL AVERAGE. One vol., 8vo, 10s. 6d.

18. WILSON'S SEAMEN'S WAGES TABLES. Second edition. One vol, 8vo, 10s.

19. PULBROOK'S (ANTHONY) COMPANIES ACT, 1862–67. With copious index. One vol., demy 8vo, 5s.

20. SMITH'S (DR. JAMES WALTER) LEGAL FORMS for COMMON USE. Eighth edition. One vol., fcap. 8vo, 3s. 6d.

21. ROBERTS'S PARLIAMENTARY BUFF BOOK, being an Analysis of the Divisions of the House of Commons. SESSION 1871. 5s.

22. GARRATT'S (JOHN & CHARLES) EXCHANGE TABLES, to convert the Moneys of Brazil, the River Plate Ports, Chili, Peru, California, and Lisbon into British Currency, and vice versâ, at all rates. One vol., 8vo., 10s.

23. ANSELL'S ROYAL MINT: Its, Working, Conduct, and Operations, fully and practically explained; with suggestions for its better Scientific and Official Management. Now ready. Third edition, 1 vol., Imp. 8vo, Illus., 12s.

London: EFFINGHAM WILSON, Royal Exchange.